

REPORT TO THE TWENTY-FIFTH LEGISLATURE
STATE OF HAWAII
2009

PURSUANT TO ACT 213 (2007), SECTION 39,
A BILL RELATING TO THE STATE BUDGET REQUIRING THE DEPARTMENT
OF HEALTH TO PREPARE A REPORT ON THE SUBSIDIZING OF RESIDENTS
LIVING IN APARTMENTS AND DEVELOPMENTAL DISABILITIES
DOMICILIARY HOMES FOR INDIVIDUALS

PREPARED BY:

STATE OF HAWAII
DEPARTMENT OF HEALTH
December 2008

EXECUTIVE SUMMARY

The Department of Health is responsible for allocating and distributing the funds established by Act 213/SLH 2007 for the purpose of supporting persons with developmental disabilities residing in Developmental Disability Domiciliary Homes and Developmental Disabilities Apartment Complexes. This residential services subsidy was first established in FY '06 at \$485,000. For FY '07, \$1,200,000 was requested and appropriated for this residential services subsidy. In FY '08, Act 213 appropriated \$1,800,000 for residential services for clients with DD/MR. The following report includes the number of individuals aided by services provided, capacity of services provided, a performance report of services and treatment outcomes, and a detailed report on all expenditures.

REPORT TO THE LEGISLATURE

IN COMPLIANCE WITH ACT 213 (2007), SECTION 39

Section 39 of Act 213 requires the Department of Health (DOH) to report on the following: 1) The number of individuals aided by the services provided and the capacity of services provided; 2) A performance report of services provided and treatment outcomes; and 3) A detailed report of all expenditures.

The funding appropriated by Act 213 to the Department of Health is for the purpose of supporting persons with developmental disabilities residing in Developmental Disability Domiciliary Homes (DDDH) and Developmental Disabilities Apartment Complexes (DDAC).

(1) The number of individuals aided by the services provided and service capacity:

These funds, totaling \$1,200,000 in FY '07 and \$1,800,000 in FY '08, are currently allocated to 5 contracted providers with annual residential services available for a total of 122 individuals with developmental disabilities. There are currently 5-DDDH provider agencies with a total of 74-available beds. Arc of Hawaii has 42-beds, Arc of Maui has 5-beds, Kona Krafts has 5-beds, Responsive Caregivers of Hawaii has 12-beds, and Opportunities for the Retarded Inc. has 10-beds. These providers operate residential services at 95% capacity or higher throughout the year. There is only one DDAC operated by the Arc of Hawaii that can support 48 adults with developmental disabilities. This apartment complex operates at 99% capacity throughout the year.

These funds are allocated using a formula that identifies an average unit rate based on providers' projected costs. The funding for the DDAC is allocated first. These units are not comparable to the DDDH because of different staffing ratios and client support needs. They also operate at much lower unit cost than the DDDH. Based on unit cost projections, the remaining funds are allocated to each Domiciliary Home provider agency. Due to different unit costs for different agencies and homes, some homes are fully funded in this first round. The funds remaining after the first round of distribution are again divided among the provider agencies that are not fully funded, until all funds have been allocated.

Provider agencies must bill each month based on their actual expenditures for filled beds. Total subsidies paid for FY '08 were \$1,661,116.22 (See Appendix A for details).

In the 2007 Legislative Session, the \$1,800,000 was inserted in DDD's base budget for the DDDH and DDAC (Act 213/SLH 2007). For FY '08, the provider agencies Waiver revenue was also factored into the distribution formula. A unit rate has been

established for each provider agency. There was a projected increase in expenditures for FY '08 based on an increase in personnel costs. The subsidized operational funding has allowed the DDDHs' and DDACs' providers to better retain their staff and provide salary increases based on performance. The quality of staffing is directly related to the quality of service outcomes for the people with developmental disabilities receiving these residential services.

(2) A performance report of services provided and treatment outcomes:

The DDDH and DDAC provide people with developmental disabilities a safe place to live with consistent supports and staffing. There are significant “service” outcomes. The residential supports ensure a stable environment necessary for continued learning and development. The residential services ensure basic requirements of healthy living are in place including managing medical appointments, meeting nutritional requirements, and establishing a safe and secure environment. Living in a residential setting allows for easy access to ordinary community activities, as well as special events. There are currently limited residential choices for people with developmental disabilities that choose not to or are unable to live with a family member. The DDDH and DDAC add options to the current residential system.

(3) A detailed report on all expenditures:

A report of actual year-to-date expenditures for FY '08 is provided in Appendix A.

Appendix A. FY 2008 Residential Subsidy Year-to-Date Expenditures

Vendor Name (Agency)	No. of Occupied Beds	Residential Setting	Total Expenditures And Encumbrances
ARC in Hawaii	42	DD Apartments	372,653
ARC in Hawaii	48	DD DOM Home	907,124
ARC of Maui County	5	DD DOM Home	56,651
Kona Krafts	5	DD DOM Home	65,798
Responsive Caregivers	12	DD DOM Home	122,760
ORI	10	DD DOM Home	275,014
Totals	122		1,800,000.00